

## Message Text

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44

ACTION NEA-12

INFO OCT-01 EUR-25 ISO-00 AID-20 OMB-01 MC-02 ACDA-19 EB-11

SAJ-01 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00

NSC-07 PA-04 RSC-01 PRS-01 SPC-03 SS-20 USIA-15 IO-14

DRC-01 /181 W

----- 065769

R 221210Z MAR 74

FM AMEMBASSY ISLAMABAD

TO SECSTATE WASHDC 3893

INFO AMEMBASSY ABU DHABI

AMEMBASSY JIDDA

AMEMBASSY LONDON

AMEMBASSY NEW DELHI

AMEMBASSY PARIS

AMEMBASSY TEHRAN

CINCPAC HONOLULU HI//POLAD

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E.O. 11652: N/A

TAGS: PFOR, MASS, PK, XF

SUBJ: PAKS SEEKING FUNDS FROM OIL-RICH NEIGHBORS FOR ARMAMENTS  
INDUSTRY.

1. PRIMIN BHUTTO HAS PUBLICLY CONFIRMED THAT GOP IS  
ACTIVELY SEEKING FINANCIAL CONTRIBUTIONS FROM OIL-RICH  
NEIGHBORS TO ESTABLISH ADDITIONAL ARMS PRODUCTION FACI-  
LITIES IN PAKISTAN. IN COURSE OF MARCH 21 VISIT TO  
PAKISTAN ORDNANCE FACTORIES (POF) INDUSTRIAL COMPLEX AT  
WAH, PRIMIN QUOTED BY PRESS AS TELLING POF OFFICIALS  
THAT ON ONE HAND POF "HAS THE POTENTIAL OF PRODUCING  
ARMS AND AMMUNITION BUT LACKS PROPER FINANCING, WHILE  
ON THE OTHER THERE ARE WEALTHY FRIENDLY NEIGHBORLY  
COUNTRIES WHO DO NOT HAVE THESE FACILITIES AND HAVE TO  
BUY ARMS AND AMMUNITION FROM THE TRADITIONAL MARKETS."

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GOP THEREFORE WAS SEEKING COOPERATION OF THESE NEIGHBORS

IN SETTING UP FACILITIES IN PAKISTAN FOR MEETING THE DEFENSE NEEDS OF BOTH. IT WOULD BE, HE SAID, A PURELY ECONOMIC AND COMMERCIAL TRANSACTION, COMMENTING THAT IF WEALTHY FRANCE COULD SELL ARMS TO OTHERS AS PURELY COMMERCIAL TRANSACTION, NEEDY PAKISTAN COULD DO THE SAME.

2. IN HIS STATEMENT, BHUTTO REITERATED THAT ARMS INDUSTRY WOULD BE SOLELY FOR DEFENSE OF PAKISTAN AND NEIGHBORS, AND THAT GOP HAD NO AGGRESSIVE INTENTIONS TOWARD ANYONE. HE COMPLAINED THAT COUNTRIES UNFRIENDLY TO PAKISTAN HAD SPREAD HOSTILE PROPAGANDA AGAINST PAKISTAN'S EFFORTS TO IMPROVE ITS INDIGENOUS DEFENSE CAPABILITIES. "SUCH PROPAGANDA IS UTTERLY BASELESS AND EXAGGERATED BEYOND ALL PROPOSTIONS."

3. COMMENT: WHILE POSSIBILITY OF EXPANDING PAKISTAN'S MEAGER ARMS PRODUCTION FACILITIES THROUGH JOINT ARRANGEMENTS WITH SUCH WEALTHY NEIGHBORS AS ABU DHABI, IRAN, ETC., HAS BEEN SUBJECT WIDESPREAD SPECULATION FOR SOME TIME, TO BEST OUR KNOWLEDGE THIS IS FIRST PUBLIC CONFIRMATION BY GOP THAT SUCH ARRANGEMENTS ARE BEING SOUGHT. AMONG MOST WIDELY RUMORED PROJECTS IS TRILATERAL PAKISTAN-FRANCE-GULF STATES ARRANGEMENT WHEREBY MIRAGES WOULD BE ASSEMBLED (AND LATER BUILT) IN PAKISTAN FOR SALE TO VARIOUS MIDDLE EAST COUNTRIES.  
BYROADE

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MILITARY ASSISTANCE, ARMS, FINANCIAL CONTRIBUTIONS, INDUSTRIAL PLANTS  
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**Draft Date:** 22 MAR 1974  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
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**Disposition Date:** 28 MAY 2004  
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**TAGS:** PFOR, MASS, PK, XF  
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